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Activities of the Joint Inspection Unit of relevance to the United Nations Children's Fund

Note by the secretariat

Summary

This document provides information on reports prepared by the Joint Inspection Unit during the last year that are of specific relevance to UNICEF and which heretofore were not considered by the Executive Board. It presents action taken by UNICEF as well as the views of the UNICEF Executive Director on the issues raised by the inspectors.

* E/ICEF/2004/2.

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I. Overview

1. Reports of the Joint Inspection Unit (JIU) are submitted to the executive heads of the organizations concerned, which then act upon them, as appropriate, and report to their relevant Executive Boards. The present document provides information on JIU reports issued in the last year that are considered relevant to the administration and management of UNICEF, together with comments regarding the conclusions and recommendations contained therein, and a summary of actions undertaken.

2. Since submission of the previous report (E/ICEF/2003/5), UNICEF has continued its dialogue with JIU on handling the reports and on procedures for follow-up. This greater intensity of dialogue and interaction on issues of common interest have increased the relevance of the reports, improved implementation of their recommendations and enhanced transparency. There is active coordination among members of the Executive Committee of the United Nations Development Group (UNDG), and with the members of the Chief Executives Board (CEB) for Coordination, to ensure consistency and coherence in the handling of JIU reports for maximum benefit.

II. Reports submitted by the Joint Inspection Unit of direct interest to UNICEF

3. Since the most recent note on the subject was submitted to the Executive Board at the first regular session of 2003 (E/ICEF/2003/5), JIU has issued several reports of interest to UNICEF. The comments, observations and follow-up notes of UNICEF are summarized below.

A. Report of the Joint Inspection Unit on "United Nations system revenue-producing activities" (JIU/REP/2002/6)

4. This report reviews the policies and the practices of the United Nations system relating to revenue-producing activities, providing a set of recommendations aimed at establishing a coherent policy framework for these activities and improving their management, efficiency and effectiveness.

5. Since 1951, UNICEF has formally recognized such activities as actual or potential revenue sources. The report underlines that by engaging in revenue-producing activities such as the greeting card operations, UNICEF pursues twin policy objectives: first, to advance its statutory mission on behalf of children through the network of its National Committees and Goodwill Ambassadors; and second, to raise income in support of its mission. The UNICEF approach, according to JIU, demonstrates a virtuous correlation between, on the one hand, the management of revenue-producing activities in accordance with efficient business principles, and on the other hand, achievement of effective results in promoting legislative mandates.

6. Regarding the recommendation on increasing revenues from publications, as noted by the Secretary-General, the potential for the United Nations to generate revenue only where the suggested initiatives can be addressed without a requirement for additional resources. Therefore, increasing revenue from the publications

UNICEF produces is a challenging issue. Since the publications are specialized and therefore not of interest to a mass readership, the profit they can attract is extremely limited. UNICEF publications are produced with certain audiences in mind: people responsible for, or interested in children's issues, children's rights and development decisions. These include government officials, academics, researchers, donors and members of non-governmental organizations. Nevertheless, UNICEF has attempted to expand the audiences and profitability of its publications in the following three ways:

(a) Over the past four years, UNICEF has expanded commercial co-publishing projects. Commercial co-publications receive wider distribution and somewhat greater exposure, appearing in publishers' catalogues and in bookstores. However, the sales generated remain small, presumably because of limited audiences, and the royalty terms of such agreements also result in limited returns;

(b) UNICEF has succeeded in increasing revenue from its publications over the past four years by working with United Nations Publications, which has helped UNICEF to reach a wider, appropriate audience;

(c) UNICEF has improved the publications pages on its web site and uses the web site as a way to promote and market publications.

7. The goal is to be cost-efficient and effective. As the JIU report itself points out, income-generation is a secondary objective in support of mainstream functions. Marketing support is costly and labour-intensive, particularly at UNICEF, which operates in 158 countries and territories and has 37 active National Committees that also distribute and sell UNICEF publications. There is no indication that increased investment in marketing would generate commensurate returns, given the limited commercial appeal of UNICEF publications.

8. The same factors apply to UNICEF audio-visual products, in terms of the limited commercial appeal of the topics covered. In addition, the technology and professional skills required to produce commercially viable audio-visual products make these a very expensive area. UNICEF produces few such products, and they cover a limited range of topics that have little commercial appeal.

9. With respect to the recommendation on procurement for third parties, the CEB members take the view that the implementation of this recommendation may discourage vendors in developing countries and countries with economies in transition from participating in procurement opportunities within the United Nations system. Discouraging participation in procurement opportunities would be contrary to the mandate of the General Assembly to take further measures to increase such opportunities for vendors from those countries.

10. Regarding substantive training and public-lecture programmes, UNICEF agrees with the CEB position that although this recommendation is generally acceptable, some caution is needed, as it is in implementing other recommendations of this report. It is important to avoid creating a mistaken impression among the public that the United Nations system is more interested in commercializing its activities than in focusing on the basic mission they support.

11. In the recommendation on reinforcing the marketing function, the report points out that UNICEF collects significant revenue from its greeting cards and products

but little from its publications. As per above, UNICEF publications are not expected to generate a substantial income.

B. Report of the Joint Inspection Unit on the "Management audit review of outsourcing in the United Nations and United Nations funds and programmes" (JIU/REP/2002/7)

12. This report presents the findings and conclusions of a management audit of the outsourcing practices of the United Nations system to determine if and to what extent outsourced operations conducted in 1999 and 2000 by the United Nations Secretariat and United Nations funds and programmes have been consistent with the policy directives contained in General Assembly resolution 55/232 of 23 December 2000 regarding reasons, goals and criteria for outsourcing.

13. The report provides useful guidelines on how and to what extent the United Nations Secretariat and funds and programmes should conduct outsourcing. UNICEF notes the report's emphasis on systematic and effective oversight of contractor performance, which should apply across the board and not only to outsourcing arrangements. UNICEF welcomes the recommendation to have a special training programme for managers of outsourced contracts. UNICEF notes the recommendation on standardized due diligence procedures, advocating that the Inter Agency Procurement Working Group (IAPWG) should consider standardizing and generalizing the application by its members of due diligence procedures, using the relevant provisions of the UNICEF Supply Manual as a model. UNICEF agrees with the recommendation stating that contractual clauses on cost-effectiveness and performance measures should be standardized. Finally, the recommendation on monitoring and evaluation of outsourced contracts is central to the report, and the JIU might identify the kind of system needed to monitor and manage the outsourced contracts. The IAPWG could be the appropriate mechanism for follow-up actions on the major findings and conclusions (as reflected in the JIU report) related to the outsourcing practices of the United Nations system. In addition, UNICEF wishes to recommend that the Chairperson of the High-Level Committee on Management (HLCM) write to the Chairperson of IAPWG about reviewing standardization of contractual clauses relating to cost-effective and performance measures on outsourcing practices. This would facilitate establishment of a formal link between the two Chairpersons.

C. Report of the Joint Inspection Unit on "Managing information in the United Nations system organizations: management information systems" (JIU/REP/2002/9)

14. This report reviews the progress achieved by the United Nations system in the implementation of various information technology (IT) services and management information (MI) systems aimed at improving management in areas of human resources, finance and administration. The report provides a set of recommendations for strengthening information management and improving design and implementation of future MI systems. The first objective was met through making an inventory of and documenting the experiences regarding MI systems in the United Nations system. Although some of this information may already be obsolete,

given the pace of change, it nonetheless provides a good baseline and understanding of the great variety of experiences across the United Nations system, reflecting the various requirements of its organizations as well as their different levels of experience and maturity of information technology systems.

15. The JIU recommends that a comprehensive strategy for information management and MI systems be prepared and submitted for review to the Executive Board. This has already been accomplished in UNICEF, where a comprehensive information and communication technologies strategy has been implemented since 1997 to support introduction of the results-based management approach.

16. With respect to measures to be taken, the role of the Chief Information Officer has already been defined in a draft strategic paper prepared by and discussed within the Information Systems Coordination Committee. Such a role is also clearly defined in the industry, with broader responsibilities than those defined in points (a) to (e) of the JIU report.

17. The recommended steps to be taken prior to introducing and/or developing a new MI system are part of good business practice within the industry and reflect the approach defined in the UNICEF IT strategy. While they can be clearly applied within individual organizations, cross-organizational application is not really a feasible option, given the different stages of IT-related evolution and maturity of the different agencies. The recommendation to look at the possibility of changing business procedures to adapt to the best industry practices rather than customizing commercial products to adapt to the requirements of United Nations organizations is not always practical due to the complexity of changing rules, regulations and related processes in the United Nations environment.

18. The recommendation on comparability of financial implications of MI system projects is compatible with the harmonized presentation of budgets. However, other major factors would need to be considered, such as the scope of each project, business analysis and process, business cases, risk and infrastructure.

19. UNICEF concurs with the recommendation on cooperation and coordination with respect to designing and implementing MI systems in the United Nations system. The steps proposed to achieve this are valid only in instances where organizations are planning to embark upon new MI systems. In other instances, where similar systems are already implemented or are in the process of being implemented, enhanced cooperation and coordination in line with this recommendation is already taking place. Specifically, members of the Special Interest Group for SAP Enterprise Resources Planning and the Inter-Agency Telecommunications Advisory Group are sharing experiences and best practices, as reported at the HLCM meeting of 7-8 October 2002.

D. Report of the Joint Inspection Unit on "Evaluation of United Nations system response in East Timor [Timor-Leste]: coordination and effectiveness" (JIU/REP/2002/10)

20. The report examines the operations of the United Nations Transitional Administration in East Timor (Timor-Leste) and the institutional arrangements and capacities of certain organizations of the United Nations system for emergency humanitarian assistance, including funding mechanisms, and their impact on the

development and reconstruction of Timor-Leste. The report has identified some of the key constraints that affected the United Nations operation in Timor-Leste, such as the need for improved coordination among agencies from the very first day, the requirement for improved early warning and the gap between relief and development.

21. UNICEF believes that some of the prescriptions offered are largely based on the concept of operational practices, which is somewhat out of date. While extensive treatment is given to mechanisms such as the United Nations Office for the Coordination of Humanitarian Affairs, the Inter-Agency Standing Committee (IASC), and the Consolidated Appeal Process (CAP), with passing reference to Common Country Assessment/United Nations Development Assistance Framework, there is no mention of the other areas being addressed in response to the report's identification of problems. For example, in any complex emergency, there is now a significant role in early warning taken on by such structures as the Executive Committee on Peace and Security (ECPS) and the framework team. Developing a systemic response now involves all concerned parties working through the ECPS and such mechanisms as joint meetings of ECPS, UNDG and the Executive Committee on Humanitarian Affairs. The role of the CEB and cooperative undertakings with the World Bank are the subjects of discussion within the CEB itself, more specifically within the High-Level Committee on Programmes for consideration of prevention of armed conflicts, as well as within the UNDG process of consideration of joint programming.

22. While this report will certainly inform discussion in ECPS, the Executive Committee on Humanitarian Affairs, UNDG, CEB and elsewhere, it is the view of UNICEF that in many cases action is under way to address shortcomings identified by the inspectors, even though the prescriptive machinery is somewhat different from that put forward in the recommendations.

23. The CEB noted that UNICEF has strengthened its own preparedness methodologies, instituting the process in numerous countries.

24. Regarding the use of the CAP as a planning and programme tool, the IASC in April 2002 endorsed a plan of action to strengthen the CAP process, providing a framework for improving senior management involvement and increasing advocacy and technical guidance for the strategic planning and coordination aspects.

25. Finally, on the establishment of an emergency revolving fund, UNICEF has had an established emergency fund since the mid-1980s.

E. Report of the Joint Inspection Unit on "Implementation of multilingualism in the United Nations system" (JIU/REP/2002/11)

26. The objective of this report is to assist legislative bodies and secretariats in their efforts to address the challenge of maintaining and improving the multilingual content of services required by the universal character of United Nations organizations.

27. The level of language services (for all languages) provided to the UNICEF Executive Board conforms with the Board's Rules of Procedure (E/ICEF/177/Rev.6) and the requirements of the Department of General Assembly and Conference Management (DGACM). On its own initiative, the Board is currently reviewing its

working methods, but the issue of language services has not been raised in this context. All documents appear in the six official languages, except for country programme documents, which, in accordance with a decision of the Executive Board, are in English, French and Spanish as well as other official languages if requested by the countries concerned. The Executive Board secretariat works with DGACM to agree on deadlines for submission of pre-session documentation under a new slotting system. These documents are submitted to DGACM and usually are ready in the requested languages by the start of each session, although sometimes there are delays beyond the control of UNICEF due to shifting priorities within DGACM. In such cases, the Board members are aware of the constraints faced by DGACM and almost always consider the item. Advance copies of all documents are made available on the UNICEF web site in the original languages (usually English, sometimes French) four to six weeks prior to the start of each session. Concerning in-session documentation, specifically draft decisions, the Board observes the '24 hour' rule by which drafts are not considered until they have been available in all six languages for 24 hours. During formal meetings of the Executive Board, interpretation is provided in all six languages. In session, the regional groups organize informal consultation and make a choice of language. Other than the scheduled pre-session briefings, which require interpretation, inter-sessional meetings (Bureau meetings and informal briefings) usually take place at UNICEF House and are held in English only.

28. Every effort is made to recruit candidates proficient in at least one official United Nations language in addition to English. Moreover, for some thematic and functional recruitment campaigns such as those in human resources and child protection, special efforts were made to hire candidates with two United Nations languages, to ensure mobility of staff. While at the moment vacancy advertising remains mostly in English, special recruitment drives have use advertisement in French and Spanish in addition to English. Finally, all candidates selected for the Young Professional Programme are multilingual.

29. UNICEF recognizes the constraints of providing language services of the highest quality in the face of increasing demands. UNICEF has invested significantly more staff resources in recent years to ensuring greater linguistic reach, particularly through French, English and Spanish publications and web sites. The UNICEF global presence in 158 countries and territories requires the organization to work in many languages other than the six official United Nations languages. In the course of this year, the policy regarding language learning and training has been revised in order to ensure that the resources allocated to language acquisition (especially immersion and other intensive courses) are spent more strategically and focus more on the needs of staff taking up posts that require fluency in the relevant language as quickly as possible.

30. UNICEF takes note of the request to indicate in its budget proposal the languages in which publications will be issued and in which information materials will be posted on the web.

III. Ongoing/forthcoming reports of the Joint Inspection Unit of interest to UNICEF

31. Of interest to UNICEF are ongoing JIU reports on new challenges for development cooperation, on achieving the universal primary education goal set forth the Millennium Declaration and on the preliminary review of the statute and working methods of the JIU.